

| | | | |
|---------------------------------|---|-------------------------------|-------------------------------|
| <i>SERFF Tracking Number:</i> | <i>EMCN-125648862</i> | <i>State:</i> | <i>Arkansas</i> |
| <i>Filing Company:</i> | <i>EMC National Life Company</i> | <i>State Tracking Number:</i> | <i>39061</i> |
| <i>Company Tracking Number:</i> | <i>AR - 21 - 2008</i> | | |
| <i>TOI:</i> | <i>H07I Individual Health - Specified Disease - Limited Benefit</i> | <i>Sub-TOI:</i> | <i>H07I.002 Dread Disease</i> |
| <i>Product Name:</i> | <i>HP1015 (Version 2.1)</i> | | |
| <i>Project Name/Number:</i> | <i>/</i> | | |

Filing at a Glance

Company: EMC National Life Company

Product Name: HP1015 (Version 2.1)

SERFF Tr Num: EMCN-125648862 State: ArkansasLH

TOI: H07I Individual Health - Specified Disease - Limited Benefit

State Tr Num: 39061

Sub-TOI: H07I.002 Dread Disease

Co Tr Num: AR - 21 - 2008

State Status: Approved-Closed

Filing Type: Rate

Co Status:

Reviewer(s): Rosalind Minor

Author: Macy Allen

Disposition Date: 06/23/2008

Date Submitted: 05/21/2008

Disposition Status: Approved-Closed

Implementation Date Requested: 08/01/2008

Implementation Date:

State Filing Description:

General Information

Project Name:

Status of Filing in Domicile: Pending

Project Number:

Date Approved in Domicile:

Requested Filing Mode: Review & Approval

Domicile Status Comments: The filing is currently being reviewed by the Iowa Insurance Department.

Explanation for Combination/Other:

Market Type: Individual

Submission Type: New Submission

Group Market Size:

Overall Rate Impact: 48%

Group Market Type:

Filing Status Changed: 06/23/2008

State Status Changed: 06/23/2008

Deemer Date:

Corresponding Filing Tracking Number:

Filing Description:

May 21, 2008

Hon. Julie Benafield Bowman

Commissioner of Insurance

SERFF Tracking Number: EMCN-125648862 State: Arkansas
Filing Company: EMC National Life Company State Tracking Number: 39061
Company Tracking Number: AR - 21 - 2008
TOI: H071 Individual Health - Specified Disease - Sub-TOI: H071.002 Dread Disease
Limited Benefit
Product Name: HP1015 (Version 2.1)
Project Name/Number: /

Arkansas Insurance Department
Life and Health Division
1200 West 3rd Street
Little Rock, AR 72201

Attention: Rosalind Minor

RE: Cancer Specified Disease – Rate Increase
NAIC #62928 Iowa Assigned Company Code Number 1350IA

Dear Ms. Minor:

Attached for your consideration are revised premiums for the following Cancer Specified Disease Policies:

Form Current Rate Sheet

(As National Travelers Life Company) Approved New Rate Sheet

(As EMC National Life Company) Avg Incr

HP 1015 RSH 1023 (55) 7-2002 8/16/2002 RSH 2100 (55) 4-08 48%
HP 1015 RSH 1024 (55) 7-2002 8/16/2002 RSH 2101 (55) 4-08 48%
HP 1015 RSH 1025 (55) 7-2002 8/16/2002 RSH 2102 (55) 4-08 48%
HP 1015 RSH 1026 (55) 7-2002 8/16/2002 RSH 2103 (55) 4-08 48%
HP 1015 RSH 1027 (55) 7-2002 8/16/2002 RSH 2104 (55) 4-08 48%
HP 1015 RSH 1028 (55) 7-2002 8/16/2002 RSH 2105 (55) 4-08 48%

These policies first became available in 2005 and they were marketed by EMC National Life Company. This is the first revision of rates for these forms.

A description of the policies, premium increase history, and past experience is included in the enclosed Actuarial Memorandum. The anticipated loss ratio is 55%.

| | | | |
|---------------------------------|---|-------------------------------|-------------------------------|
| <i>SERFF Tracking Number:</i> | <i>EMCN-125648862</i> | <i>State:</i> | <i>Arkansas</i> |
| <i>Filing Company:</i> | <i>EMC National Life Company</i> | <i>State Tracking Number:</i> | <i>39061</i> |
| <i>Company Tracking Number:</i> | <i>AR - 21 - 2008</i> | | |
| <i>TOI:</i> | <i>H071 Individual Health - Specified Disease - Limited Benefit</i> | <i>Sub-TOI:</i> | <i>H071.002 Dread Disease</i> |
| <i>Product Name:</i> | <i>HP1015 (Version 2.1)</i> | | |
| <i>Project Name/Number:</i> | <i>/</i> | | |

We are requesting these rate increases to be implemented with the first premium due on or after 8/1/2008. There are currently 7,507 policy owners nationwide, including 201 Arkansas policy owners that will be affected by this revision.

Your prompt consideration will be greatly appreciated.

Mark C. Rowley, FSA, MAAA
Vice President, Chief Actuary

Company and Contact

Filing Contact Information

Macy Allen, Actuarial Technician
4095 NW Urbandale Drive
Urbandale, IA 50322

Mallen@emcni.com
(515) 345-4210 [Phone]
(515) 345-4165[FAX]

Filing Company Information

EMC National Life Company
4095 NW Urbandale Drive
Urbandale, IA 50322-7914
(515) 645-4000 ext. 4094[Phone]

CoCode: 62928
Group Code:
Group Name:
FEIN Number: 42-0868851

State of Domicile: Iowa
Company Type: L and Health
State ID Number:

Filing Fees

| | |
|------------------|---------------|
| Fee Required? | Yes |
| Fee Amount: | \$50.00 |
| Retaliatory? | No |
| Fee Explanation: | \$50 per form |
| | form = HP1015 |
| Per Company: | No |

| COMPANY | AMOUNT | DATE PROCESSED | TRANSACTION # |
|---------|--------|----------------|---------------|
|---------|--------|----------------|---------------|

| | | | |
|---------------------------------|---|-------------------------------|-------------------------------|
| <i>SERFF Tracking Number:</i> | <i>EMCN-125648862</i> | <i>State:</i> | <i>Arkansas</i> |
| <i>Filing Company:</i> | <i>EMC National Life Company</i> | <i>State Tracking Number:</i> | <i>39061</i> |
| <i>Company Tracking Number:</i> | <i>AR - 21 - 2008</i> | | |
| <i>TOI:</i> | <i>H071 Individual Health - Specified Disease - Limited Benefit</i> | <i>Sub-TOI:</i> | <i>H071.002 Dread Disease</i> |
| <i>Product Name:</i> | <i>HP1015 (Version 2.1)</i> | | |
| <i>Project Name/Number:</i> | <i>/</i> | | |

| | | | |
|---------------------------|---------|------------|----------|
| EMC National Life Company | \$50.00 | 05/21/2008 | 20441307 |
|---------------------------|---------|------------|----------|

| | | | |
|--------------------------|--|------------------------|------------------------|
| SERFF Tracking Number: | EMCN-125648862 | State: | Arkansas |
| Filing Company: | EMC National Life Company | State Tracking Number: | 39061 |
| Company Tracking Number: | AR - 21 - 2008 | | |
| TOI: | H071 Individual Health - Specified Disease - Limited Benefit | Sub-TOI: | H071.002 Dread Disease |
| Product Name: | HP1015 (Version 2.1) | | |
| Project Name/Number: | / | | |

Correspondence Summary

Dispositions

| Status | Created By | Created On | Date Submitted |
|-----------------|----------------|------------|----------------|
| Approved-Closed | Rosalind Minor | 06/23/2008 | 06/23/2008 |

Objection Letters and Response Letters

| Objection Letters | | | | Response Letters | | |
|---------------------------|----------------|------------|----------------|------------------|------------|----------------|
| Status | Created By | Created On | Date Submitted | Responded By | Created On | Date Submitted |
| Pending Industry Response | Rosalind Minor | 06/04/2008 | 06/04/2008 | Macy Allen | 06/04/2008 | 06/04/2008 |

Amendments

| Item | Schedule | Created By | Created On | Date Submitted |
|--------------------------|---------------------|------------|------------|----------------|
| Correspondence 6-20-2008 | Supporting Document | Macy Allen | 06/20/2008 | 06/20/2008 |

Filing Notes

| Subject | Note Type | Created By | Created On | Date Submitted |
|----------------------------------|---------------|----------------|------------|----------------|
| Calculations for a rate increase | Note To Filer | Rosalind Minor | 06/09/2008 | 06/09/2008 |

| | | | |
|---------------------------------|---|-------------------------------|-------------------------------|
| <i>SERFF Tracking Number:</i> | <i>EMCN-125648862</i> | <i>State:</i> | <i>Arkansas</i> |
| <i>Filing Company:</i> | <i>EMC National Life Company</i> | <i>State Tracking Number:</i> | <i>39061</i> |
| <i>Company Tracking Number:</i> | <i>AR - 21 - 2008</i> | | |
| <i>TOI:</i> | <i>H071 Individual Health - Specified Disease - Limited Benefit</i> | <i>Sub-TOI:</i> | <i>H071.002 Dread Disease</i> |
| <i>Product Name:</i> | <i>HP1015 (Version 2.1)</i> | | |
| <i>Project Name/Number:</i> | <i>/</i> | | |

Disposition

Disposition Date: 06/23/2008

Implementation Date:

Status: Approved-Closed

Comment: We are approving two 25% rate increases to be implemented in September, 2008 and September, 2009. The approval is subject to the following conditions:

1. Rate increases will not be given prior to the first annual anniversary date of any policy.
2. After the first annual anniversary date of any policy, increases will not be given more frequently than once in a twelve (12) month period.
3. All increases in rates, other than change in age or an individual moving to another geographical area, must be submitted to our Department for approval

| Company Name: | Overall % Rate Impact: | Written Premium Change for this Program: | # of Policy Holders Affected for this Program: | Premium: | Maximum % Change (where required): | Minimum % Change (where required): | Overall % Indicated Change: |
|---------------------------|-------------------------------|---|---|-----------------|---|---|------------------------------------|
| EMC National Life Company | 48.000% | \$49,821 | 201 | \$103,793 | 48.000% | 48.000% | 48.000% |

SERFF Tracking Number: *EMCN-125648862* *State:* *Arkansas*
Filing Company: *EMC National Life Company* *State Tracking Number:* *39061*
Company Tracking Number: *AR - 21 - 2008*
TOI: *H071 Individual Health - Specified Disease - Limited Benefit* *Sub-TOI:* *H071.002 Dread Disease*
Product Name: *HP1015 (Version 2.1)*
Project Name/Number: /

| Item Type | Item Name | Item Status | Public Access |
|----------------------------|----------------------------------|--------------------|----------------------|
| Supporting Document | Health - Actuarial Justification | Approved-Closed | No |
| Supporting Document | Exhibits 1 and 2 | Approved-Closed | No |
| Supporting Document | Attachment A | Approved-Closed | No |
| Supporting Document | Cover Letter | Approved-Closed | Yes |
| Supporting Document | Correspondence 6-20-2008 | Approved-Closed | Yes |
| Rate | HP1015 Proposed Rates | Approved-Closed | No |

SERFF Tracking Number: EMCN-125648862 State: Arkansas
Filing Company: EMC National Life Company State Tracking Number: 39061
Company Tracking Number: AR - 21 - 2008
TOI: H071 Individual Health - Specified Disease - Sub-TOI: H071.002 Dread Disease
Limited Benefit
Product Name: HP1015 (Version 2.1)
Project Name/Number: /

Objection Letter

Objection Letter Status Pending Industry Response
Objection Letter Date 06/04/2008
Submitted Date 06/04/2008
Respond By Date
Dear Macy Allen,

This will acknowledge receipt of the captioned filing.

Objection 1

- Health - Actuarial Justification (Supporting Document)

Comment: Based on the actual Nationwide experience, we will consider a maximum of 10% rate increase at this time. If you wish to accept this percentage, please acknowledge and send a revised actuarial memorandum, exhibits and rates.

Please feel free to contact me if you have questions.

Sincerely,
Rosalind Minor

Response Letter

Response Letter Status Submitted to State
Response Letter Date 06/04/2008
Submitted Date 06/04/2008

Dear Rosalind Minor,

Comments:

Response 1

Comments: Dear Ms. Minor:

Thank you for your response. So that we may gain a better understanding of the process, may we ask for the calculation used to determine the 10%? We appreciate your help in this matter.

Sincerely,

Macy K. Allen
Actuarial Technician

Applies To:

- Comment:

Created by SERFF on 06/25/2008 02:44 PM

Amendment Letter

Created by SERFF on 06/25/2008 02:44 PM

SERFF Tracking Number: EMCN-125648862 State: Arkansas
Filing Company: EMC National Life Company State Tracking Number: 39061
Company Tracking Number: AR - 21 - 2008
TOI: H071 Individual Health - Specified Disease - Sub-TOI: H071.002 Dread Disease
Limited Benefit
Product Name: HP1015 (Version 2.1)
Project Name/Number: /

Note To Filer

Created By:

Rosalind Minor on 06/09/2008 03:09 PM

Subject:

Calculations for a rate increase

Comments:

Our Department looks at the past three calendar years experience of earned premium and incurred claims.

1. We add three years of incurred claims and multiply the total by 15% (for inflation).
2. We add three years of earned premium and multiply the total by the percentage of increase requested.
3. The adjusted total of incurred claims is divided by the adjusted total of earned premium. This will give an adjusted loss ratio.
4. If the adjusted loss ratio is below 50%, the request is denied.

The calculation for a 48% increase would give me an adjusted loss ratio of 31%. A 10% rate increase would give me an adjusted loss ratio of 42%. Even though the loss ratio is below the 50%, we will consider a 10% rate increase because of the increase in claims from 2006 to 2007.

| | | | |
|--------------------------|--|------------------------|------------------------|
| SERFF Tracking Number: | EMCN-125648862 | State: | Arkansas |
| Filing Company: | EMC National Life Company | State Tracking Number: | 39061 |
| Company Tracking Number: | AR - 21 - 2008 | | |
| TOI: | H071 Individual Health - Specified Disease - Limited Benefit | Sub-TOI: | H071.002 Dread Disease |
| Product Name: | HP1015 (Version 2.1) | | |
| Project Name/Number: | / | | |

Rate Information

Rate data applies to filing.

| | |
|--|----------|
| Filing Method: | SERFF |
| Rate Change Type: | Increase |
| Overall Percentage of Last Rate Revision: | 0.000% |
| Effective Date of Last Rate Revision: | |
| Filing Method of Last Filing: | |

Company Rate Information

| Company Name: | Overall % Indicated Change: | Overall % Rate Impact: | Written Premium Change for this Program: | # of Policy Holders Affected for this Program: | Premium: | Maximum % Change (where required): | Minimum % Change (where required): |
|------------------------------|-----------------------------------|---------------------------|--|---|-----------|--|--|
| EMC National Life Company | 48.000% | 48.000% | \$49,821 | 201 | \$103,793 | 48.000% | 48.000% |

| | | | |
|---------------------------------|---|-------------------------------|-------------------------------|
| <i>SERFF Tracking Number:</i> | <i>EMCN-125648862</i> | <i>State:</i> | <i>Arkansas</i> |
| <i>Filing Company:</i> | <i>EMC National Life Company</i> | <i>State Tracking Number:</i> | <i>39061</i> |
| <i>Company Tracking Number:</i> | <i>AR - 21 - 2008</i> | | |
| <i>TOI:</i> | <i>H071 Individual Health - Specified Disease - Limited Benefit</i> | <i>Sub-TOI:</i> | <i>H071.002 Dread Disease</i> |
| <i>Product Name:</i> | <i>HP1015 (Version 2.1)</i> | | |
| <i>Project Name/Number:</i> | <i>/</i> | | |

Rate/Rule Schedule

| Review Status: | Document Name: | Affected Form Numbers: (Separated with commas) | Rate Action: | Rate Action Information: | Attachments |
|-----------------|-----------------------|--|--------------|--------------------------|-------------------------|
| Approved-Closed | HP1015 Proposed Rates | RSH 2100 (55) 4-08, RSH 2101 (55) 4-08, RSH 2102 (55) 4-08, RSH 2103 (55) 4-08, RSH 2104 (55) 4-08, RSH 2105 (55) 4-08 | 4-Revised | | Proposed Rates - AR.pdf |

EMC NATIONAL LIFE COMPANY
URBANDALE, IOWA

Cancer and Specified Disease Policy Form HP1015
Worksite Payroll Deduction Annual Rates

| | Issue Age | Base Only for RCI benefit Limit of | | | | Daily Room and Board per unit | Surgery Benefit per unit |
|----------------------|--------------|------------------------------------|------------|------------|-------------|-------------------------------------|--------------------------------|
| | | \$2,500/mo | \$5,000/mo | \$7,500/mo | \$10,000/mo | | |
| INDIVIDUAL | 18-74 | 207.98 | 254.12 | 295.30 | 326.28 | 13.79 | 15.16 |
| FAMILY | 18-74 | 365.25 | 459.38 | 542.60 | 604.73 | 27.07 | 28.59 |
| SINGLE PARENT | 18-74 | 249.59 | 304.92 | 354.36 | 391.53 | 16.55 | 18.17 |

(Monthly premiums = 1/12 annually)

DAILY ROOM AND BOARD: Each unit is \$50.00. Minimum number of units will be three (3)
and maximum number of units will be twelve (12).

SURGERY BENEFIT: Each unit is \$1,500. Minimum number of units will be one (1)
and the maximum number of units will be six (6)

EMC NATIONAL LIFE COMPANY
URBAN DALE, IOWA

Cancer and Specified Disease Policy Form HP1015
Direct Market Annual Rates

| | Issue Age | Base Only for RCI benefit Limit of | | | | Daily Room and Board per unit | Surgery Benefit per unit |
|----------------------|--------------|------------------------------------|------------|------------|-------------|-------------------------------------|--------------------------------|
| | | \$2,500/mo | \$5,000/mo | \$7,500/mo | \$10,000/mo | | |
| INDIVIDUAL | 18-44 | 207.98 | 254.12 | 295.30 | 326.28 | 13.79 | 15.16 |
| | 45-49 | 216.36 | 268.16 | 314.12 | 347.99 | 13.88 | 15.16 |
| | 50-54 | 261.63 | 325.90 | 382.98 | 425.41 | 18.59 | 20.60 |
| | 55-59 | 305.43 | 379.22 | 445.84 | 495.87 | 23.59 | 28.45 |
| | 60-64 | 351.37 | 428.42 | 500.92 | 556.60 | 29.51 | 37.81 |
| | 65-69 | 398.68 | 470.64 | 541.83 | 599.76 | 37.06 | 47.97 |
| | 70-74 | 432.38 | 493.34 | 554.16 | 608.56 | 45.01 | 57.45 |
| FAMILY | 18-44 | 365.25 | 459.38 | 542.60 | 604.73 | 27.07 | 28.59 |
| | 45-49 | 380.21 | 483.37 | 573.62 | 640.16 | 27.54 | 28.59 |
| | 50-54 | 458.50 | 582.69 | 692.68 | 774.34 | 35.85 | 39.32 |
| | 55-59 | 537.64 | 678.55 | 805.62 | 901.05 | 45.01 | 54.09 |
| | 60-64 | 623.61 | 770.19 | 908.08 | 1,013.96 | 56.09 | 71.87 |
| | 65-69 | 712.81 | 849.53 | 984.81 | 1,094.84 | 70.39 | 91.12 |
| | 70-74 | 776.75 | 892.56 | 1,008.13 | 1,111.49 | 85.51 | 109.18 |
| SINGLE PARENT | 18-44 | 249.59 | 304.92 | 354.36 | 391.53 | 16.55 | 18.17 |
| | 45-49 | 259.62 | 322.00 | 376.94 | 417.58 | 16.66 | 18.17 |
| | 50-54 | 313.95 | 398.49 | 459.57 | 510.50 | 22.30 | 24.72 |
| | 55-59 | 366.51 | 455.06 | 535.01 | 595.05 | 28.30 | 34.13 |
| | 60-64 | 421.64 | 514.09 | 601.10 | 667.94 | 35.42 | 45.38 |
| | 65-69 | 478.41 | 564.75 | 651.38 | 719.71 | 44.46 | 57.56 |
| | 70-74 | 518.86 | 592.00 | 664.08 | 730.28 | 54.01 | 68.95 |

(Monthly premiums = 1/12 annually)

DAILY ROOM AND BOARD: Each unit is \$50.00. Minimum number of units will be three (3)
and maximum number of units will be twelve (12).

SURGERY BENEFIT: Each unit is \$1,500. Minimum number of units will be one (1)
and the maximum number of units will be six (6)

EMC NATIONAL LIFE COMPANY
URBANDALE, IOWA

Internal Cancer First Occurrence Benefit Rider AMH 1017
Worksite Payroll Deduction Annual Rates

| | <u>Issue Age</u> | <u>Rate per Unit</u> |
|----------------------|----------------------|--------------------------|
| INDIVIDUAL | 18-74 | 35.52 |
| FAMILY | 18-74 | 60.38 |
| SINGLE PARENT | 18-74 | 42.62 |

(Monthly premiums = 1/12 annually)

EMC NATIONAL LIFE COMPANY
URBANDALE, IOWA

Internal Cancer First Occurrence Benefit Rider AMH 1017
Direct Market Annual Rates

| | <u>Issue Age</u> | <u>Rate per Unit</u> |
|----------------------|----------------------|--------------------------|
| INDIVIDUAL | 18-44 | 35.52 |
| | 45-49 | 36.05 |
| | 50-54 | 46.53 |
| | 55-59 | 58.61 |
| | 60-64 | 71.57 |
| | 65-69 | 84.89 |
| | 70-74 | 98.04 |
| FAMILY | 18-44 | 60.38 |
| | 45-49 | 65.89 |
| | 50-54 | 85.78 |
| | 55-59 | 108.69 |
| | 60-64 | 133.73 |
| | 65-69 | 159.31 |
| | 70-74 | 184.88 |
| SINGLE PARENT | 18-44 | 42.62 |
| | 45-49 | 43.33 |
| | 50-54 | 55.94 |
| | 55-59 | 70.33 |
| | 60-64 | 85.96 |
| | 65-69 | 101.94 |
| | 70-74 | 117.57 |

(Monthly premiums = 1/12 annually)

EMC NATIONAL LIFE COMPANY
URBANDALE, IOWA

Hospital Coronary Care or Intensive Care Confinement Benefit AMH 1019
Worksite Payroll Deduction Annual Rates

| | <u>Issue Age</u> | <u>Rate per Unit</u> |
|----------------------|----------------------|--------------------------|
| INDIVIDUAL | 18-74 | 44.40 |
| FAMILY | 18-74 | 88.80 |
| SINGLE PARENT | 18-74 | 62.16 |

(Monthly premiums = 1/12 annually)

EMC NATIONAL LIFE COMPANY
URBANDALE, IOWA

Hospital Coronary Care or Intensive Care Confinement Benefit AMH 1019
Direct Market Annual Rates

| | <u>Issue Age</u> | <u>Rate per Unit</u> |
|----------------------|----------------------|--------------------------|
| INDIVIDUAL | 18-44 | 44.40 |
| | 45-49 | 53.28 |
| | 50-54 | 58.43 |
| | 55-59 | 71.75 |
| | 60-64 | 84.89 |
| | 65-69 | 94.13 |
| | 70-74 | 74.24 |
| FAMILY | 18-44 | 88.80 |
| | 45-49 | 100.70 |
| | 50-54 | 113.84 |
| | 55-59 | 135.86 |
| | 60-64 | 158.60 |
| | 65-69 | 174.94 |
| | 70-74 | 136.22 |
| SINGLE PARENT | 18-44 | 62.16 |
| | 45-49 | 63.94 |
| | 50-54 | 70.15 |
| | 55-59 | 86.14 |
| | 60-64 | 101.94 |
| | 65-69 | 112.95 |
| | 70-74 | 89.16 |

(Monthly premiums = 1/12 annually)

SERFF Tracking Number: EMCN-125648862 State: Arkansas
Filing Company: EMC National Life Company State Tracking Number: 39061
Company Tracking Number: AR - 21 - 2008
TOI: H071 Individual Health - Specified Disease - Sub-TOI: H071.002 Dread Disease
Limited Benefit
Product Name: HP1015 (Version 2.1)
Project Name/Number: /

Supporting Document Schedules

Review Status:
Satisfied -Name: Cover Letter Approved-Closed 06/23/2008
Comments:
The cover letter information has been included on the General Information tab. However, we are attaching another copy for your convenience.
Attachment:
Cover Letter - AR.pdf

Review Status:
Satisfied -Name: Correspondence 6-20-2008 Approved-Closed 06/23/2008
Comments:
Please see the attached correspondence.
Attachments:
Correspondence 6-20-08.pdf
Exhibit 1 - Two Year .pdf
Exhibit 2 - Expanded.pdf

May 21, 2008

Hon. Julie Benafield Bowman
Commissioner of Insurance
Arkansas Insurance Department
Life and Health Division
1200 West 3rd Street
Little Rock, AR 72201

Attention: Rosalind Minor

RE: Cancer Specified Disease – Rate Increase
NAIC #62928 Iowa Assigned Company Code Number 1350IA

Dear Ms. Minor:

Attached for your consideration are revised premiums for the following Cancer Specified Disease Policies:

| Form | Current Rate Sheet (As National Travelers Life Company) | Approved | New Rate Sheet (As EMC National Life Company) | Avg Incr |
|---------|---|-----------|---|----------|
| HP 1015 | RSH 1023 (55) 7-2002 | 8/16/2002 | RSH 2100 (55) 4-08 | 48% |
| HP 1015 | RSH 1024 (55) 7-2002 | 8/16/2002 | RSH 2101 (55) 4-08 | 48% |
| HP 1015 | RSH 1025 (55) 7-2002 | 8/16/2002 | RSH 2102 (55) 4-08 | 48% |
| HP 1015 | RSH 1026 (55) 7-2002 | 8/16/2002 | RSH 2103 (55) 4-08 | 48% |
| HP 1015 | RSH 1027 (55) 7-2002 | 8/16/2002 | RSH 2104 (55) 4-08 | 48% |
| HP 1015 | RSH 1028 (55) 7-2002 | 8/16/2002 | RSH 2105 (55) 4-08 | 48% |

These policies first became available in 2005 and they were marketed by EMC National Life Company. This is the first revision of rates for these forms.

A description of the policies, premium increase history, and past experience is included in the enclosed Actuarial Memorandum. The anticipated loss ratio is 55%.

We are requesting these rate increases to be implemented with the first premium due on or after 8/1/2008. There are currently 7,507 policy owners nationwide, including 201 Arkansas policy owners that will be affected by this revision.

Your prompt consideration will be greatly appreciated.

A handwritten signature in black ink, reading 'Mark Rowley'.

Mark C. Rowley, FSA, MAAA
Vice President, Chief Actuary

June 20, 2008

Mr. Dan Honey
Ms. Rosalind Minor
Arkansas Insurance Department
1200 West Third Street
Little Rock, AR 72201-1904

Re: Teleconference 6/18/08
Rate Increase Request on HP1015
SERFF Tracking # EMCN-125648862

Dear Mr. Honey and Ms. Minor:

We appreciate very much the time you gave us on Wednesday, June 18, to discuss our rate increase request. We also thank you for the quick responses you have provided throughout this process.

Rate Increase Request

In the referenced filing, we requested a 48% rate increase, and our model projected that this would result in a 95% lifetime loss ratio. If we do as you suggest and spread the rate increase over two years, a 25% rate increase would be needed each year to achieve that same 95% lifetime loss ratio. **We therefore modify our filing to request a series of two 25% rate increases to be implemented in September, 2008, and September, 2009.** See the attached revised Exhibit 1, labeled "Two Year".

We also reserve the right to ask for a higher rate increase percentage in September, 2009, if experience deteriorates further. In that case, we would file the additional request and present evidence of the deteriorating experience. If that is not the case, we would implement in September, 2009, without additional filing, only the second of the two 25% rate increases requested here.

Additional Information

- **Expanded Version of Exhibit 2.** The attached exhibit shows results by calendar year as well as by duration. Note that the actual to expected ratios increased from 43% in 2005 to 79% in 2006 to 162% in 2007. We are very concerned about the trend in these ratios and think it is appropriate to implement significant rate increases early on in an attempt to correct the experience quickly.
- **Information on Arkansas Policyholders.** It was mentioned on the call that the policyholders that have these types of policies are on fixed-incomes. We did a little research on this and discovered that the average age of the policyholders is 51, and fewer than 15% of Arkansas policyholders are 65 or older. This is true because of the way this product was marketed – in the worksite. The product was not sold very often to individuals.

- **Dollar Impact on Average Premium.** A one-time 48% rate increase would result in the average premium increasing from \$497 to \$736. A series of two 25% rate increases would increase the average premium from \$497 to \$621 in 2008 to \$777 in 2009.

Thank you for your time and efforts in reviewing our filing. If you should have any additional questions or concerns, please do not hesitate to ask.

Best regards,

A handwritten signature in black ink, reading "Mark Rowley". The signature is fluid and cursive, with the first name "Mark" and last name "Rowley" clearly distinguishable.

Mark C. Rowley, FSA, MAAA
Mrowley@emcnl.com

Exhibit 1 -- Two Year

Form #s: **HP 1015 - Cancer/Specified Disease Plan**Experience Base: **Nationwide**

As of 12/31/2007 -- Nationwide Policy Count: 8,072 Nationwide Annlzd Prem: \$4,010,648 Nationwide Avg Annlzd Prem: \$497

As of 4/29/2008 -- 7,523 \$3,759,738 \$500

Calendar Year Experience Since Inception

| Calendar Year | (1) Earned Premium | (2) Paid Claims | (3) Change in Claim Res | (4) Incurred Claims | (5) Incurred Claim Ratio | (6) Change in Policy Res | (7) Incurred Loss Ratio | (8) Inc'd Claims Runout | (9) Runout Claim Ratio | (10) Exposure | (11) Pure Premium | (12) Average Premium |
|---------------|-----------------------|--------------------|----------------------------|------------------------|-----------------------------|-----------------------------|----------------------------|----------------------------|---------------------------|------------------|----------------------|-------------------------|
| 2005 | 2,636,381 | 198,517 | 197,515 | 396,032 | 15.0% | 0 | 15.0% | 398,273 | 15.1% | 4,655 | 86 | 566 |
| 2006 | 4,639,749 | 1,273,838 | 89,145 | 1,362,983 | 29.4% | 0 | 29.4% | 1,484,944 | 32.0% | 9,377 | 158 | 495 |
| 2007 | 4,197,227 | 2,369,189 | 446,832 | 2,816,021 | 67.1% | 428,860 | 77.3% | 2,707,169 | 64.5% | 8,410 | 322 | 499 |
| Total | 11,473,357 | 3,841,544 | 733,492 | 4,575,036 | 39.9% | 428,860 | 43.6% | 4,590,386 | 40.0% | | | |

Accumulated at 5%: 39.1%

NOTES:

Column (4) = (2) + (3)

Column (10) -- exposure based on policy counts.

Column (5) = (4) / (1)

Column (11) -- calculation of pure premium (claims only) by calendar year (8) / (10).

Column (7) = [(4) + (6)] / (1)

Column (12) -- calculation of average premium by calendar year (1) / (10).

Anticipated Future Experience (including rate change)

| Calendar Year | Lapse Rate | Rate Increase | Total Trend | Earned Premium | Incurred Claims | Incurred Claim Ratio | Change in Policy Res | Incurred Loss Ratio |
|---------------|------------|---------------|-------------|----------------|-----------------|----------------------|----------------------|---------------------|
| 200801 | 5% | 0% | 22% | 971,305 | 744,608 | 76.7% | 134,657 | 90.5% |
| 200802 | 12% | 0% | 12% | 893,160 | 732,123 | 82.0% | 97,067 | 92.8% |
| 200803 | 5% | 25% | 3% | 1,023,584 | 719,319 | 70.3% | 280,880 | 97.7% |
| 200804 | 4% | 0% | 3% | 977,912 | 706,574 | 72.3% | 118,667 | 84.4% |
| 2009 | 23% | 25% | 22% | 3,730,651 | 2,724,011 | 73.0% | 333,576 | 82.0% |
| 2010 | 16% | 0% | 17% | 3,392,552 | 2,623,649 | 77.3% | 118,787 | 80.8% |
| 2011 | 16% | 0% | 17% | 2,850,634 | 2,587,604 | 90.8% | 22,127 | 91.5% |
| 2012 | 16% | 0% | 16% | 2,402,388 | 2,535,339 | 105.5% | 48,740 | 107.6% |
| 2013 | 16% | 0% | 14% | 2,029,162 | 2,460,546 | 121.3% | 54,374 | 123.9% |
| 2014 | 15% | 0% | 13% | 1,717,584 | 2,369,353 | 137.9% | (105,371) | 131.8% |
| 2015 | 15% | 0% | 12% | 1,456,748 | 2,263,934 | 155.4% | (158,400) | 144.5% |
| 2016 | 15% | 0% | 12% | 1,237,738 | 2,153,349 | 174.0% | (120,142) | 164.3% |
| 2017 | 15% | 0% | 11% | 1,053,311 | 2,039,151 | 193.6% | (545,432) | 141.8% |
| 2018 | 15% | 0% | 10% | 897,591 | 1,920,846 | 214.0% | (119,797) | 200.7% |
| 2019 | 15% | 0% | 10% | 765,815 | 1,801,601 | 235.3% | (135,817) | 217.5% |
| 2020 | 15% | 0% | 9% | 654,026 | 1,682,822 | 257.3% | (281,338) | 214.3% |
| 2021 | 14% | 0% | 9% | 558,998 | 1,566,019 | 280.1% | 46,592 | 288.5% |
| 2022 | 14% | 0% | 8% | 478,039 | 1,451,330 | 303.6% | (175,230) | 266.9% |
| 2023 | 14% | 0% | 8% | 408,937 | 1,340,272 | 327.7% | (93,779) | 304.8% |
| 2024 | 14% | 0% | 7% | 349,860 | 1,233,096 | 352.5% | (119,451) | 318.3% |
| 2025 | 14% | 0% | 7% | 299,279 | 1,130,368 | 377.7% | (14,795) | 372.8% |
| 2026 | 14% | 0% | 7% | 255,908 | 1,032,254 | 403.4% | (108,677) | 360.9% |
| 2027 | 15% | 0% | 6% | 218,685 | 939,171 | 429.5% | (113,841) | 377.4% |
| 2028 | 15% | 0% | 6% | 186,707 | 851,349 | 456.0% | (58,133) | 424.8% |
| 2029 | 15% | 0% | 6% | 159,220 | 768,717 | 482.8% | (71,002) | 438.2% |
| 2030 | 15% | 0% | 5% | 135,574 | 691,177 | 509.8% | 4,652 | 513.2% |
| 2031 | 15% | 0% | 5% | 115,230 | 618,967 | 537.2% | (65,847) | 480.0% |
| 2032 | 15% | 0% | 5% | 97,727 | 551,736 | 564.6% | (38,666) | 525.0% |
| 2033 | 15% | 0% | 5% | 82,681 | 489,642 | 592.2% | (23,201) | 564.1% |
| 2034 | 16% | 0% | 5% | 69,765 | 432,565 | 620.0% | (27,223) | 581.0% |
| 2035 | 16% | 0% | 4% | 58,702 | 380,337 | 647.9% | (20,161) | 613.6% |
| 2036 | 16% | 0% | 4% | 49,229 | 332,643 | 675.7% | (15,264) | 644.7% |
| 2037 | 17% | 0% | 4% | 41,103 | 289,052 | 703.2% | (17,931) | 659.6% |
| 2038 | 17% | 0% | 4% | 34,146 | 249,535 | 730.8% | (15,529) | 685.3% |
| Total | | | | 29,653,953 | 44,413,059 | 149.8% | (1,184,909) | 145.8% |

Combined Past and Anticipated Future Experience

| Earned Premium | Incurred Losses | Incurred Claim Ratio | Change in Policy Res | Incurred Loss Ratio |
|----------------|-----------------|----------------------|----------------------|---------------------|
| 41,127,310 | 48,988,095 | 119.1% | (756,049) | 117.3% |

Accumulated/Discounted at 5%: 95.5%

(Form HP1015)

| Experience Year | Issue Year | Policy Duration | Incurred Claims | Earned Premiums | Loss Ratio | Expected L.R. | Actual to Expected |
|-----------------|------------|-----------------|------------------|------------------|--------------|---------------|--------------------|
| 2005 | 2005 | 0 | 396,032 | 2,636,381 | 15.0% | 35% | 43% |
| Total | | | 396,032 | 2,636,381 | 15.0% | 35% | 43% |
| 2006 | 2006 | 0 | 107,818 | 210,029 | 51.3% | 35% | 147% |
| | 2005 | 0 | 627,583 | 2,214,860 | 28.3% | 35% | 81% |
| | 2005 | 1 | 627,583 | 2,214,860 | 28.3% | 40% | 71% |
| Total | | | 1,362,983 | 4,639,749 | 29.4% | 37% | 79% |
| 2007 | 2007 | 0 | 6,597 | 79,085 | 8.3% | 35% | 24% |
| | 2006 | 0 | 88,349 | 160,192 | 55.2% | 35% | 158% |
| | 2006 | 1 | 88,349 | 160,192 | 55.2% | 40% | 138% |
| | 2005 | 1 | 1,316,363 | 1,898,879 | 69.3% | 40% | 173% |
| | 2005 | 2 | 1,316,363 | 1,898,879 | 69.3% | 44% | 158% |
| | | | 2,816,021 | 4,197,227 | 67.1% | 42% | 162% |

| | | | | | |
|-------------|-----------|------------|-------|-------|------|
| Grand Total | 4,575,036 | 11,473,357 | 39.9% | 38.4% | 104% |
|-------------|-----------|------------|-------|-------|------|

Durational Totals

| Policy Duration | Incurred Claims | Earned Premiums | Loss Ratio | Expected L.R. | Actual to Expected |
|-----------------|-----------------|-----------------|------------|---------------|--------------------|
| 0 | 1,226,378 | 5,300,547 | 23.1% | 35.0% | 66.1% |
| 1 | 2,032,295 | 4,273,931 | 47.6% | 40.0% | 118.9% |
| 2 | 1,316,363 | 1,898,879 | 69.3% | 44.0% | 157.6% |

| | | | | | |
|-------------|-----------|------------|-------|-------|--------|
| Grand Total | 4,575,036 | 11,473,357 | 39.9% | 38.4% | 104.0% |
|-------------|-----------|------------|-------|-------|--------|